Audited Annual Financial Report

RichmondPRA Limited

ACN 001 280 628

30 June 2020

RichmondPRA
Together, we're better.

flourish
AUSTRALIA
Where mental wellbeing thrives

DIRECTORS' REPORT

The directors present their report for RichmondPRA Limited hereby known as RichmondPRA, the consolidated entity consisting of RichmondPRA and its wholly owned subsidiary (RichmondPRA Services Limited) for the year ended 30 June 2020.

Directors

The following persons were directors of the Company during the financial year:

- Professor Elizabeth More AM (Chair)
- Jeremy Thorpe (Treasurer until 11/12/19)
- Andrew Pryor (Treasurer from 11/12/19)
- Dr Josephine Anderson
- Robyn Carmody
- Paul Clenaghan
- Paula Hanlon
- Diane Robinson
- Dr Phil Wing

What do we do?

RichmondPRA (The Company) works in local communities to help people on their mental health recovery journey. RichmondPRA helps people:

To find somewhere to live that is safe and secure

Over 600 people every year live in stable accommodation linked to the support they need because of the services RichmondPRA provides. This keeps people out of hospital, helps them to live independently, connects them to their communities, families and friends, and provides the platform for personal growth and recovery. Tailored programs ensure that women with children, young people and Aboriginal people can also benefit from this help.

To make friends, get involved and learn new things

Unique to RichmondPRA is a network of services around New South Wales and southern Queensland used by over 1200 people every month to engage in the broader life of their communities. Run by the participants as much as the staff, these are places where recovery is enabled through member and staff led activities on site and in the community. People are able to feel safe while engaging in individual and group self-help programs around activities that the people themselves select because they are important to the individual's own recovery.

To get a job

RichmondPRA is the largest specialist employer of people with mental health issues in the country. We understand that finding a job can be the most important step on a person's recovery journey, and we understand what works best to help people get work ready. From employment placement programs to social enterprises, our employment programs help with everything from getting skills up to date, right through to providing full or part-time work in one of our community businesses or social enterprises. We are a leader in running businesses that create work ready people and meaningful employment opportunities for people with a mental health issue.

To get well and stay well

Finding the right place to live, getting a job, being supported and staying connected are all important components of the recovery journey. But in Australia, people with mental health issues also face the reality of a drastically reduced life expectancy because of poor physical health. RichmondPRA's Back on Track Health (BOTH) Program aims to help people stay on the right track. This program integrates holistic support, with a flexible, coordinated individual support system to help people who use our services maintain and improve their general health. We are also the Lead Agency for headspace centres in Bankstown, Broken Hill, Parramatta and Castle Hill providing comprehensive primary health, mental health and other psychosocial supports to young people.

To support others

RichmondPRA values the lived experience of mental illness. Over 50% of our staff disclose a lived experience of a mental health issue.

We have a commitment to ensuring access to a peer worker for support across RichmondPRA's geographic footprint. As such, RichmondPRA has a strategic goal of increasing the size of our peer workforce, providing a clear public statement of the value we place on the skills and understanding of people with lived experience, in the delivery of mental health supports.

A review of our operations for FY20

Overall financial position

RichmondPRA has maintained a strong financial position, with $8,156,795 (2019: $7,843,596) in cash equivalents and financial assets. We also hold a further $5,835,590 (2019: $6,121,980) in investments which can be converted to cash in less than 1 week.

Our trade receivables plus contract assets have grown from $5,820,037 as at 30 June 2019 to $10,974,894 as at 30 June 2020 due to a combination of growth in our business together with timing differences with respect to collections.

We adopted AASB 16 'Leases" from 1 July 2019 with no restatement for the statement of financial position for the year ended 30 June 2019. As a result there has been an increase as at 30 June 2020 in right of use assets of $3,219,471(2019: $nil), current lease liabilities of $2,135,422 (2019: $nil) and non-current lease liabilities of $1,125,170 (2019: $nil).

Our contract liabilities have grown from $9,678,186 as at 30 June 2019 to $13,448,872 as at 30 June 2020. RichmondPRA was eligible and received financial advances totalling $2,046,617 from the National Disability Insurance Agency and the Department of Social Services due to the impact of the novel coronavirus (COVID-19) pandemic to assist with with the continued delivery of our supports. Additionally in consultation with a funder a repayment that was due to be repaid during 2019/20 was deferred, again due to the impact of the novel coronavirus (COVID-19) pandemic to assist with the continued delivery of supports. All three forms of assistance will be repaid in full during 2020/21.

Our employee provisions have increased from $6,818,202 as at 30 June 2019 to $8,476,069 as at 30 June 2020 due to a combination of an increase in long service leave as more of our staff stay with us for longer together with an increase in annual leave due to the impact of the coronavirus (COVID-19) pandemic.

Operating result for the year

As detailed in this report, RichmondPRA's operating or trading result for the year was a surplus of $651,732 (2019: $19,749).

Other significant events in the year

On 12 March 2020 the World Health Organisation declared the novel coronavirus (COVID-19) outbreak a pandemic. In response to Government and expert health advice, in March 2020 RichmondPRA Limited implemented a number of changes to how we deliver support, but we continued to provide support for people.

We changed the way we do things so we could protect the people we support and our staff.

Using resources wisely

RichmondPRA continues to invest cash where, after risk assessment, the Company will be able to maximise its investment income. Our Share Portfolio continues to pay good dividends and while interest income from Term Deposits is very low, this still represents sound liquidity management.

Information on directors

Professor Elizabeth More AM BA (Hons), Grad Dip Mgt, M Com Law, PhD, MAICD	Elizabeth is the Chief Academic Officer at Study Group. She has been a senior academic across a range of universities, including Dean of the Macquarie Graduate School of Management and Deputy Vice-Chancellor at Macquarie and Canberra Universities. She has extensive experience on a number of NFP Boards (including NIDA) and in consulting to both private and public sector organisations. Professor More has worked in executive education, and has been called upon for expert media comment on issues related to management practice and education. Professor More has also been a Councillor on the NSW State Council of the Australian Institute of Company Directors. Before becoming a university academic, she worked as a classical ballet dancer in theatre and television, and in the advertising industry.
Jeremy Thorpe BEc, LLB (Hons)	Jeremy is an economist with more than 20 years of experience in the public and private sectors. He is currently a Partner in PwCs National Economics & Policy Consulting team, and PwC's Chief Economist. He was previously a Director of a boutique economic consultancy and prior to that was at the Commonwealth Treasury and the Productivity Commission. Jeremy has particular experience in disability and mental health policy, having advised the NSW, Commonwealth and ACT Governments, as well as private not-for-profits on issues as diverse as organisational strategy, program evaluation, the transition to the NDIS and economic impacts of disability/mental health activities. Jeremy previously was on the board of a not-for-profit for seven years, four of which he was the Chair.
Andrew Pryor CA, B Com, GAICD	Andrew is an experienced senior finance executive and leader. He has some 30 years of financial corporate experience, including over 20 years at Westfield Group, the industry leading ASX 20 property group, and over 5 years at Big 4 Accounting firm, PWC. Andrew is a Chartered Accountant and a Graduate of the Australian Institute of Company Directors (GAICD). His professional experience at Westfield included 12 years as a Financial Group General Manager. He is passionate about improving the mental health systems and services, applying his skills and experience to improve mental health services, particularly for young people. Andrew is a Board Director and the Board Treasurer of Mental Health Carers NSW (MHCN), the peak body for the advocacy of such Carers. Andrew is also a member and coordinator of the headspace FAFC Advisory Committee, providing consultation, governance and guidance on the strategic direction and development of headspace mental health services in Western Sydney. Andrew is a Carer for his daughter, supporting her on her mental health recovery journey. This has provided experience and insight into the mental health system, including public and private hospitals. This lived experience as a carer has provided a base for being a strong advocate for people with lived experience of a mental health issue and their families and carers.
Dr Josephine (Josey) Anderson BA, BMed(Hons), MMed, MHealthLaw, Cert Child Adol Psych, FRANZCP	Highly regarded as a clinician, academic, teacher and administrator, Josey has many roles, including as a consultant psychiatrist at the Black Dog Institute, Clinical Director at Royal Far West , a conjoint Associate Professor with UNSW, a Psychiatrist Member of the NSW Mental Health Review Tribunal, and a member of the NSW Mental Health Commission's Community Advisory Council. Josey has specialised in Child and Adolescent Psychiatry for more than 20 years, and championed the development of young people's services in Western Sydney, including our highly successful Young People's Outreach Program, and three Headspace centres in Western Sydney. She currently provides psychiatry consultation via telehealth to headspace Broken Hill and Orange, and provides an onsite clinic at headspace Bankstown, on behalf of Black Dog Institute.
Robyn Carmody	Robyn's involvement with people with mental disabilities began more than 20 years ago when she was involved with the care of a person who was living with a mental illness. Robyn's involvement with the provision of facilities for those with mental illness and their carers has included a position on the Managing Board of Pioneer Clubhouse, as well as involvement with the provision of respite facilities for carers of people with a mental illness. Robyn brings a range of personal and industry experience and a community point of view about health services.
Paul Clenaghan	Paul is Manager of Community Mental Health Services and Partnerships in Sydney Local Health District. As a qualified psychiatric nurse, he holds a Masters in Nursing and a Post Graduate Diploma in Nursing Management. He has a long record of

M Nurs, PG Dip Nurs Mgt	service to people experiencing psychosocial disadvantage, their care and support.
Paula Hanlon BA	Paula has worked as a peer worker for over 25 years in voluntary and employed positions. She has been employed in a position of Manager, Consumer Services for North Shore Ryde Mental Health Services for nearly 23 years, and is currently working for BEING, Mental Health Consumers in a pilot statewide warmline project. Paula has also worked for the Mental Health Association NSW Inc. (now Wayahead) and New Horizons Enterprises. Paula is an Assessor for the Australian Council on Health Care Standards reviewing services across Australia and is a member of The TheMHS Learning Network Board. Paula has a BA majoring in Psychology, and together with her lived experience and personal recovery journey contributes to the progression of mental health reform in Australia. Paula is a person with a lived experience of mental health issues and was a resident in Richmond Fellowship housing in the original Blackwattle House in the 1980's in another Glebe house in the 1990's.
Diane Robinson LLB(Hons), LLM	Diane graduated BA LLB (Hons) and LLM (Hons) from the University of Sydney and has been a lawyer for over 35 years. Diane's professional experience has included legal practice, senior academic positions and appointment to a number of quasi-judicial tribunals. Diane has been the President of the NSW Guardianship Tribunal, the Deputy President of the NSW Mental Health Review Tribunal as well serving as a member of the Social Security Appeals Tribunal, the Medical Tribunal and as a Principal Member of the NSW Civil and Administrative Tribunal. She is an Adjunct Associate Professor of Law at the University of New South Wales where she teaches in the undergraduate and postgraduate programs. Diane is also a member of the NSW Ministerial Advisory Council on Ageing. Professor of Law at the University of New South Wales where she teaches in the undergraduate and postgraduate programs. Diane is also a member of the NSW Ministerial Advisory Council on Ageing.
Dr Phil Wing CA, B Econ, M Econ, PhD	With extensive, global experience as a Senior Executive, Non-Executive Director and Board Chair, Phil's recent focus has been on start-ups and growth companies. Former roles include Partner in Technology Venture Partners (TVP), a specialist technology venture capital firm, and was an active Non-Executive Director on many of TVP's portfolio companies in Australia and overseas. Prior to that, Phil was a Senior Executive in IBM's Global and Asia Pacific Management Team, including General Manager (Global Services), responsible for strategy, marketing and business development including acquisitions, alliances and business partners.

Meetings of Directors

The Directors meet on a bi-monthly basis, 6 meetings were held in the financial year to 30 June 2020. The number of meetings of the Company's board of directors held during the year ended 30 June 2020, and the numbers of meetings attended by each director were:

	Number of meetings attended	**Number of meetings held during the time the director held office during the year**
Elizabeth More (Chair)	6	6
Jeremy Thorpe (Treasurer until 11/12/19)	6	6
Andrew Pryor (Treasurer from 11/12/19)	6	6
Dr Josephine Anderson	6	6
Robyn Carmody	6	6
Paul Clenaghan	5	6
Paula Hanlon	5	6
Diane Robinson	4	6
Dr Phil Wing	5	6

In addition to attending Board meetings, the directors also attended bi-monthly meetings for the Finance, Audit and Risk Management, Marketing and Advancement and Services (Quality and Risk) sub-committees.

Insurance of Officers

During the financial year, RichmondPRA paid premiums to insure the directors and officers of the Company. The professional liability insurance paid in respect of directors and officers for the year ended 30 June 2020 was $16,775 (2019: $8,525).

Environmental Regulation

The Company is subject to normal State and Federal environmental legislation and does not operate within an industry with specific environmental guidelines or limits.

Proceedings on behalf of Company

No person has applied to the Court for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Members' guarantee

RichmondPRA Limited is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If RichmondPRA Limited is wound up, the liability of each member (during the time or within one year afterwards) is limited to ten dollars.

Auditor

BDO continues in office.

This report is made in accordance with a resolution of the directors.

Elizabeth More

Professor Elizabeth More AM
Director
Date: 30 September 2020

Andrew Pryor
Director
Date: 30 September 2020

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Ref.	2020 $	2019 $
Revenue from continuing operations	A1	84,053,678	72,328,409
Other income	A1	320,956	442,369
Total income		**84,374,634**	**72,770,778**
Cost of goods sold		(436,874)	(443,568)
Employee benefits expense		(66,399,458)	(56,025,434)
Depreciation and amortisation expense*		(5,071,445)	(2,446,770)
Other expenses		(11,815,125)	(13,835,257)
Total expenses	A2	**(83,722,902)**	**(72,751,029)**
Surplus before income tax expense		**651,732**	**19,749**
Income tax expense		-	-
Surplus for the year		**651,732**	**19,749**
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Gain on revaluation of land and buildings		351,250	9,182,166
Items that may be reclassified to profit or loss			
Investments measured at fair value through other comprehensive income	D2	(96,560)	340,189
Total comprehensive income for the year		**906,422**	**9,542,104**

*We adopted AASB 16 ‘Leases” from 1 July 2019. As a result there has been an increase in 2019/20 in depreciation expense relating to right of use assets.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Ref.	2020 $	2019 $
Current assets			
Cash and cash equivalents	C1	8,156,795	7,843,596
Trade and other receivables	C1	8,432,213	5,125,580
Contract assets	C1	2,542,681	694,457
Inventories		-	35,214
Prepayments		880,590	1,127,338
Total current assets		**20,012,279**	**14,826,185**
Non-current assets			
Bonds and deposits		817,361	759,500
Investments	B1	6,134,731	6,121,980
Investment properties	B3	11,007,422	11,236,234
Intangibles	B3	582,302	678,599
Property, plant and equipment	B2	19,620,408	19,655,995
Right of use assets	D1	3,219,471	-
Total non-current assets		**41,381,695**	**38,452,308**
Total assets		**61,393,974**	**53,278,493**
Current liabilities			
Trade and other payables	C1	2,810,014	3,674,766
Employee provisions	C1	6,710,850	4,629,495
Contract liabilities	C1	13,448,872	9,678,186
Lease liabilities	D1	2,135,422	-
Total current liabilities		**25,105,158**	**17,982,447**
Non-current liabilities			
Financial liabilities	C1	1,684,666	2,300,000
Employee provisions	C1	1,765,219	2,188,707
Lease liabilities	D1	1,125,170	-
Total non-current liabilities		**4,575,055**	**4,488,707**
Total liabilities		**29,680,213**	**22,471,154**
Net assets		**31,713,761**	**30,807,339**

	Ref.	2020 $	2019 $
Contributed equity			
Program participants reserve	D2	114,002	163,995
Reserves	D2	16,259,301	16,754,101
Accumulated funds	D2	15,340,458	13,889,243
Total contributed equity		**31,713,761**	**30,807,339**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Ref.	Program Participants Reserve	Reserves	Accumulated Funds	Total
		$	**$**	**$**	**$**
Balance as at 30 June 2018		**319,456**	**7,232,246**	**13,713,533**	**21,265,235**
Surplus for the year		-	-	19,749	19,749
Other adjustment		500	(500)	-	-
Reserve funds consumed	D2	(155,961)	-	155,961	-
Revaluation of land and buildings	B2	-	9,182,166	-	9,182,166
Other comprehensive income					
Investment revaluation reserve	D2	-	340,189	-	340,189
Total comprehensive income		**(155,461)**	**9,521,855**	**175,710**	**9,542,104**
Balance as at 30 June 2019		**163,995**	**16,754,101**	**13,889,243**	**30,807,339**
Surplus for the year		-	-	651,732	651,732
Other adjustment*	D2	-	(749,490)	749,490	-
Reserve funds consumed	D2	(49,993)	-	49,993	-
Revaluation of land and buildings	B2	-	351,250	-	351,250
Other comprehensive income					
Investment revaluation reserve	D2	-	(96,560)	-	(96,560)
Total comprehensive income		**(49,993)**	**(494,800)**	**1,451,215**	**906,422**
Balance as at 30 June 2020		**114,002**	**16,259,301**	**15,340,458**	**31,713,761**

*The other adjustment represents a reclassification of the investment revaluation reserve to accumulated funds to reflect realised gains when investments are disposed.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	Ref.	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		7,447,197	6,425,976
Payments to suppliers and employees (inclusive of goods and services tax)		(86,536,167)	(72,916,944)
Government grants and subsidies received (inclusive of goods and services tax)		82,950,416	71,152,842
Interest received		24,332	48,163
Interest paid		(31,241)	(86,684)
Rents received		1,119,336	1,218,788
Donations received		23,519	84,973
Net cash inflow from operating activities	E4	**4,997,392**	**5,927,114**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,154,809)	(2,707,716)
Payments for intangible assets		(87,622)	-
Proceeds from sale of investment property		-	1,677,402
Payments made for leasing arrangements		(1,911,761)	-
Income received from shares and other financial investments		225,567	780,502
Payments for shares and other financial assets		(82,372)	(435,059)
Payments for security deposits		(57,862)	(32,658)
Net cash outflow from investing activities		**(4,068,858)**	**(717,529)**
Cash Flows from investing activities			
Repayment of borrowings		(615,334)	(2,300,000)
Net cash outflow from financing activities		**(615,334)**	**(2,300,000)**
Net increase in cash held		313,199	2,909,585
Cash and cash equivalents at the beginning of the financial year		7,843,596	4,934,011
Cash and cash equivalents at the end of the financial year	C1	**8,156,795**	**7,843,596**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

A. WHERE DO OUR FUNDS COME FROM AND HOW ARE THEY SPENT?

A1. What are our sources of revenue?

A2. Where has the funding been spent?

This section explains the main sources of our **revenue** and **expenditure** and how those are measured in accordance with the relevant accounting standards

A1. WHAT ARE OUR SOURCES OF REVENUE?

Our primary sources of revenue are State and Federal Government contracts, together with National Disability Insurance Scheme (NDIS) revenue. We also receive some income from commercial sales through our social enterprises that provide employment opportunities for individuals with mental health issues.

	2020 $	2019 $
Revenue from contracts with funders		
National Disability Insurance Scheme	33,841,224	25,631,681
New South Wales Government Contracts	28,206,827	25,539,295
Commonwealth Government Contracts	13,448,378	12,059,598
Business sales	4,135,357	3,660,980
Other revenue from Ordinary Activities	2,440,816	3,062,697
Queensland Government Contracts	1,981,076	2,374,158
Total revenue	**84,053,678**	**72,328,409**
Other income: Gain on sale of non-current assets	**320,956**	**442,369**

For further analysis on specific funding sources, refer to section E4 Acknowledgement of funding.

What is the relevant accounting policy?

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price

5. Recognise revenue

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Government contracts, NDIS and other revenue

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied. This is generally the case for the monies received under Governement contracts, NDIS and other revenue.The performance obligations are varied based on the agreement but may include services, events or education.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the revenue is recognition based on either cost or time incurred which best reflects the transfer of control.

Busines sales

Business sales revenue represents revenue earned from the sale of the Company's products, net of returns and trade allowances and taxes paid. The performance obligation is satisfied at a point in time when the products have been physically transferred to the customer.

Other income consists of the gain or loss on revaluation of land and buildings within Property, Plant and Equipment (B2).

Significant judgements and estimates applied

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at the company, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

A2. WHERE HAS THE FUNDING BEEN SPENT?

We have spent the income we received over the course of this financial year on programs that support the following goals.

	2020 $	2019 $
Supporting people where they live	28,696,684	26,432,528
Helping people make friends, get involved and learn new things	27,159,225	22,746,328
Working with people to find a job	16,796,609	13,642,953
Other expenditure	11,070,384	9,929,220
Total expenditure	**83,722,902**	**72,751,029**

The main categories of expenditure were as follows:

	2020 $	2019 $
Employee benefits expense including workers compensation	60,743,931	52,244,087
Annual leave	4,738,600	3,628,689
Other office costs	3,872,014	3,524,201
Rental expense on short term leasing (2019: operating leases)	1,434,052	3,162,911
Other expenses	2,440,233	2,498,520
Depreciation and amortisation	5,071,445	2,446,770
Motor vehicle expenses	1,836,595	1,882,748
Consultants and contractors	1,587,951	1,881,570
Client expenditure	550,487	797,758
Cost of goods sold	436,874	443,568
Long service leave	916,927	152,658
Bad debts expense	334	865
Finance costs	93,459	86,684
Total Expenses	**83,722,902**	**72,751,029**

B. WHAT RESOURCES DO WE HAVE AND HOW DO WE MANAGE THEM?

B1. Investments

B2. Property, Plant and Equipment

B3. Intangible Assets and Investment Properties

This section sets out the **non-current assets** (that is, assets that are not for sale in the current financial year) held by RichmondPRA.

B1. INVESTMENTS

From time to time, RichmondPRA will hold financial assets such as shares and other equity securities that can be traded in financial markets. We do this in order to manage our financial risk and produce returns that we can use to provide services to our clients. The fair value is determined by reference to quoted market bid prices at the close of business on the reporting date.

	2020 $	2019 $
Non-Current Investments		
Fair value through other comprehensive income (FVOCI)		
Investments in listed securities	2,347,019	3,024,467
Managed investments	3,488,571	2,868,134
Cash held in investment account	175,856	170,914
Others	123,285	58,465
Total Non-Current Investments	**6,134,731**	**6,121,980**

What is the relevant accounting policy?

Listed securities, comprising marketable equity securities, are non-derivatives and are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period. The entity has made an irrevocable election to present changes in the fair value of equity instruments through other comprehensive income in accordance with AASB 9. The shares have no fixed maturity date or coupon rate.

Managed investments are include investments in debt instruments that are solely interest and principal which are held to collect or sell, and from 2019/20 also includes investments in global equity funds and a small investment of circa $0.3m in a direct office fund. Managed investments are accounted for through fair value through other comprehensive income.

The debt instruments are held by a third party and can be redeemed on an at-call basis at the market value of the investments at the date of redemption less certain fees and charges.

The global equity funds are held by a third party and can be redeemed at the market value of the investments at the date of redemption less certain fees and charges.

The direct office fund is held by a third party and has rolling five-year terms. The initial term ends in or around November 2021. At the end of each five-year term, all investors are offered the opportunity to redeem their investment. In addition to liquidity events, regular limited withdrawal offers are intended to be made available every six months from June 2019.

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Investments at fair value through other comprehensive income are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities are recognised in equity in the investments revaluation reserve. On disposal any balance in the reserve is transferred to accumulated funds and is not reclassified to profit or loss.

Dividends relating to these investments are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Significant judgements and estimates applied

All financial investments are actively traded in financial markets and the fair value is determined by reference to quoted market bid prices at the close of business on the reporting date.

B2. PROPERTY, PLANT AND EQUIPMENT

	Land $	Building $	Lease hold improvement $	Plant and Equipment $	Motor Vehicles $	Total $
Year ended 30 June 2019						
Opening net book amount	4,170,443	-	2,347,592	1,033,665	2,742,693	10,294,393
Additions	-	-	191,125	594,538	1,463,846	2,249,509
Revaluation	8,965,424	216,741	-	-	-	9,182,165
Reclassifications	(885,867)	1,833,259	(947,392)	-	-	-
Disposals	-	-	-	(86)	(892)	(978)
Depreciation expense	-	-	(425,649)	(575,266)	(1,068,179)	(2,069,094)
Closing net book amount	**12,250,000**	**2,050,000**	**1,165,676**	**1,052,851**	**3,137,468**	**19,655,995**
At 30 June 2019						
Cost /Fair Value	12,250,000	2,050,000	3,448,325	5,314,910	8,222,833	31,286,068
Accumulated depreciation		-	(2,282,621)	(4,262,060)	(5,085,392)	(11,630,073)
Net book amount	**12,250,000**	**2,050,000**	**1,165,704**	**1,052,850**	**3,137,441**	**19,655,995**
Year ended 30 June 2020						
Opening net book amount	12,250,000	2,050,000	1,165,704	1,052,850	3,137,441	19,655,995
Additions	-	-	112,253	423,013	1,619,543	2,154,809
Revaluation	300,000	51,250	-	-	-	351,250
Disposals	-	-	-	-	(48,050)	(48,050)
Depreciation expense	-	(51,250)	(644,813)	(564,053)	(1,233,480)	(2,493,596)
Closing net book amount	**12,550,000**	**2,050,000**	**633,144**	**911,810**	**3,475,454**	**19,620,408**
At 30 June 2020						
Cost/ Fair Value	12,550,00	2,050,000	3,560,578	5,737,923	9,794,032	33,692,533
Accumulated depreciation	-	-	(2,927,434)	(4,826,113)	(6,318,578)	(14,072,125)
Net book amount	**12,550,000**	**2,050,000**	**633,144**	**911,810**	**3,475,454**	**19,620,408**

What is the relevant accounting policy?

Property held to meet service delivery objectives rather than to earn rental or for capital appreciation is accounted for as property plant and equipment in accordance with accounting standard AASB 116 Property, Plant and Equipment.

Since 30 June 2019, land and buildings are recognised are measured at fair value less accumulated depreciation on buildings less any impairment losses recognised after the date of the revaluation. The impact on the 30 June 2019 financials was an increase of the value of property plant and equipment assets on the balance sheet of $9.2m consisting of an uplift of $0.2m to the value of buildings and a $9.0m uplift to the value of land. There was a corresponding $9.2m increase in the revaluation reserve.

As at 30 June 2020 the revaluation on land and buildings was an increase in the carring value of $351,250 and a corresponding increased in the revaluation reserve. The valuation was completed on 14th June 2020 by an independent valuation expert.

Land and buildings carried at cost would amount to $5.1m (2019: $5.1m).

All other plant and equipment is masured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Machinery	*5-12 years*
- Vehicles	*4-15 years*
- Furniture, fittings and equipment	*3-10 years*
- Leasehold improvements	*3-40 years*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Impairment indicators over property, plant and equipment and considered at each reporting date. If indicators exist, then the recoverable amount of the relevant asset/cash-generating unit is determined. The recoverable amount is the higher of fair value less costs of disposal and value in use. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is the company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Significant judgements and estimates applied

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event.

Valuation of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 14 June 2020 by a independent valuation expert. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition. Refer to C2 for the valuation techniques.

B3. INTANGIBLE ASSETS AND INVESTMENT PROPERTIES

	Investment Property $	Intangible Assets $	Total $
Year ended 30 June 2019			
Opening net book amount	12,471,263	597,090	13,068,353
Additions	208,000	230,373	438,373
Disposals	(1,214,217)	-	(1,214,217)
Depreciation expense	(228,812)	(148,864)	(377,676)
Closing net book amount	**11,236,234**	**678,599**	**11,914,833**
At 30 June 2019			
Cost	11,465,046	827,463	12,292,509
Accumulated depreciation	(228,812)	(148,864)	(377,676)
Net book amount	**11,236,234**	**678,599**	**11,914,833**
Year ended 30 June 2020			
Opening net book amount	**11,236,234**	**678,599**	**11,914,833**
Additions	-	87,623	87,623
Depreciation expense	(228,812)	(183,920)	(412,732)
Closing net book amount	**11,007,422**	**582,302**	**11,589,724**
At 30 June 2020			
Cost	11,465,046	915,086	12,380,132
Accumulated depreciation	(457,624)	(332,784)	(790,408)
Net book amount	**11,007,422**	**582,302**	**11,589,724**

What is the relevant accounting policy for intangible assets?

Costs incurred in the development and implementation of new software applications are only capitalised when the software will deliver a future economic benefit to the company and these benefits can be measured reliably.
Capitalised software costs have a finite useful life and are amortised on a systematic basis based on future economic benefits over the useful life of the software which is estimated to be 5 years. Amortisation occur when the asset is available for use.
Software residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Where an adjustment is appropriate these adjustments are included in profit or loss.

What is the relevant accounting policy for investment properties?

Investment property, comprising freehold residential dwellings, are held to generate long-term rent yields. All tenant leases are on an arm's length basis.
Investment properties are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition and construction of the residential dwellings. The directors have opted to account for investment properties at cost in accordance with accounting standard AASB 140 Investment Property.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.
Depreciation on investment properties is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives of 40 years.
The investment properties' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An investment property's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Significant judgements and estimates applied

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its finite life intangible assets and investment properties. The useful lives could change significantly as a result of technical innovations or some other event.

C. HOW DO WE MANAGE OUR RISK AND WORKING CAPITAL?

C1. Capital management

C2. Financial risk management

This section explains the risk that RichmondPRA is exposed to, the policies we apply to reduce those risks and also provides the users with information on how we manage our working capital.

C1. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern so they can continue to provide services to the community, and
- Maintain an optimal capital structure to support efficient and effective service delivery

Working Capital

	2020 $	2019 $
Current Assets (includes cash, receivables, contract assets, inventories, and prepayments)	20,012,278	14,826,185
Current Liabilities	(25,105,158)	(17,982,447)
Net Current Liabilities	**(5,092,880)**	**(3,156,262)**

The negative net current liabilities are more than offset by the $5,834,731 in investments classified as non-current assets for accounting purposes, which can be converted to cash in less than 1 week.

Current Assets

	2020 $	2019 $
Cash and cash equivalents		
Cash on hand	-	31,415
Cash at bank		
Interest bearing deposits	1,309,655	1,320,006
Cash management call accounts	6,847,140	6,492,175
Total cash and cash equivalents	**8,156,795**	**7,843,596**

		2020 $	2019 $
Trade and other receivables			
Trade debtors		8,791,328	5,370,112
Allowance for expected credit losses	C2	(366,922)	(256,773)
		8,424,406	**5,113,339**
Other debtors		7,807	12,241
Total trade and other receivables		**8,432,213**	**5,125,580**

Current assets continued

	2020 $	2019 $
Contract assets		
Amounts unbilled and accrued	2,542,681	694,457
Total contract assets	**2,542,681**	**694,457**

Contract assets brought forward from the prior period have been invoiced in full. There are no reversals or amounts written off in the year based on amounts accrued in the previous period

Current Liabilities

	2020 $	2019 $
Trade and other payables		
Trade payables	608,462	2,201,515
Other payables and accruals	1,959,964	1,513,818
GST payable/(refundable)	241,588	(40,567)
Total trade and other payables	**2,810,014**	**3,674,766**

	2020 $	2019 $
Employee provisions		
Provision for annual leave	4,652,436	3,673,656
Provision for long service leave	2,058,414	955,685
Total current employee entitlements	**6,710,850**	**4,629,341**

	2020 $	2019 $
Contract liabilities		
Amounts received in advance	13,448,872	9,678,186
Total contract liabilities	**13,448,872**	**9,678,186**

Performance obligations related to contract liabilities brought forward from the prior period have been satisfied in full. All amounts received in advance relate to performance obligations to be settled within 12 months.

Non-Current Liabilities

	2020 $	2019 $
Provision for long service leave	1,765,219	2,188,707
Total non-current employee provisions	**1,765,219**	**2,188,707**

Financial liabilities

	2020 $	2019 $
Loans*	1,684,666	2,300,000
Total financial liabilities	**1,684,666**	**2,300,000**

*Assets pledged as security - loans are secured by first registered mortgages over RichmondPRA's investment properties. The loan is repayable in full by 27 April 2023 and attracts interest at 0.16%.

What is the relevant accounting policy?

Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and for the purpose of the cash flow statement, bank overdrafts. Bank overdrafts are shown within due to other financial institutions on the statement of financial position.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days for debtors. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debtors which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The expected credit loss model as per E3 note 1(a) is considered in determining the impairment allowance. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Contract assets

Contract assets arise when work has been performed on a particular program and goods or services have been transferred to the customer but the invoicing milestone has not been reached and the rights to the consideration are not unconditional.

Impairment loss for trade receivables and contract assets

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable or contract asset for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss

Trade payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Employee provisions

Current employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Non-current employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contract liabilites

Contract liabilities generally represent the unspent grants or other fees received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant / fees.

C2. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and aging analysis for credit risk.

The Company holds the following financial instruments:

	2020 $	2019 $
Financial assets		
Cash and cash equivalents	8,156,795	7,843,596
Trade and other receivables	8,432,213	5,125,580
Contract assets	2,542,681	694,457
Investments	6,134,731	6,121,980
Bonds and deposits	817,361	759,500
Financial liabilities		
Trade and other payables	2,810,014	3,674,766
Contract liabilties	13,448,872	9,678,186
Lease liabilities	3,260,592	-
Loans	1,684,666	2,300,000

Market risk

Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet as investments. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The majority of the Group's equity investments are publicly traded.

If the unit price of financial assets measured at fair value through other comprehensive income had increased by +/-10% from the year end price with all other variables held constant, equity would have increased/decreased by $613,473 (2019: $612,198).

Interest rate risk

The Company's main interest rate risk arises from cash equivalents, bank deposits, held to maturity investments, loans and other receivables with variable interest rates. Richmond PRA Australia does not consider the impact from interest rate change to its operations to be material.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions. For customers, management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors. Compliance with credit limits by customers is regularly monitored by management. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets.

Credit risk- Impaired trade receivables and contract assets

The group measures the loss allowance for trade receivables and contract assets at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. This involves judgement and estimates.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over 2 years past due, whichever occurs first.

As at 30 June 2020 current trade receivables and contract assets of the Group with a nominal value of $366,922 (2019: $256,774) were considered impaired. The individually impaired receivables mainly relate to individuals, who are experiencing unexpected difficult economic situations. Movements in the provision for impairment of receivables are as follows:

	2020 $	**2019 $**
At 1 July	256,774	42,825
Provision for impairment recognised during the year	110,148	213,949
Total allowance for expected credit losses	**366,922**	**256,774**

As of 30 June 2020, trade receivables of $6,310,740 (2019: $2,946,888) were past due date but not impaired. They relate to a number of independent customers for whom there is no recent history of default and government funding bodies. The ageing analysis of these trade receivables is as follows:

	2020 $	**2019 $**
31 - 60 days	1,302,058	875,542
60 - 90 days	2,676,989	1,332,271
Over 90 days	2,331,693	739,075
Total aged trade receivables and contract assets	**6,310,740**	**2,946,888**

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of receivables mentioned above.

The trade receivables plus contract assets have grown from $5,820,037 as at 30 June 2019 to $10,974,894 as at 30 June 2020 due to a combination of growth in our business together with timing differences with respect to collections, in part because of COVID-19.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

The tables below analyse the Group's financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 30 June 2020	1 year or less	Between 1 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
Non-derivatives (non-interesting bearing)					
Trade and other payables	2,810,014		-	2,810,014	2,810,014
Lease liability	2,135,422	1,125,170	-	3,260,592	3,260,592
Loans with banks	-	1,684,666	-	1,684,666	1,684,666
Total non-derivatives	**4,945,436**	**2,809,836**	**-**	**7,755,272**	**7,755,272**
At 30 June 2019					
Non-derivatives (non-interesting bearing)					
Trade and other payables	3,674,766	-	-	3,674,766	3,674,766
Loans with banks	-	2,300,000	-	2,300,000	2,300,000
Total non-derivatives	**3,674,766**	**2,300,000**	**-**	**5,974,766**	**5,974,766**

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

At 30 June 2020	Level 1	Level 2	Level 3	Total
Land and buildings	**-**	**-**	14,600,000	14,600,000
Investments at fair value through other comprehensive income	2,347,280	3,787,451	-	6,134,731
Total	2,347,280	3,787,451	14,600,000	20,734,731
At 30 June 2019				
Land and buildings	-	-	14,300,000	14,300,000
Investments at fair value through other comprehensive income	3,024,467	3,097,513	-	6,121,980
Total	3,024,467	3,097,513	14,300,000	20,421,980

D. APPENDICES

D1. Other non-financial assets and liabilities

D2. Reserves and accumulated funds

D3. Unrecognised items

D1. OTHER NON-FINANCIAL ASSETS AND LIABILITIES

Right of use asset

	2020 $	2019 $
Brought forward	-	-
On transition	4,908,189	-
Additions	476,399	-
Amortisation	(2,165,117)	-
Total right of use asset	**3,219,471**	-

Lease liabilities

	2020 $	2019 $
Current	2,135,422	-
Total current lease liability	**2,135,422**	**-**

	2020 $	2019 $
Non-current	1,125,170	-
Total non-current lease liability	**1,125,170**	**-**

What is the relevant accounting policy?

The consolidated entity leases land and buildings for its offices, conference centre and retail outlets under agreements of between two to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity leases office equipment under agreements of less than one years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Significant judgements and estimates applied

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

D2. RESERVES AND ACCUMULATED FUNDS

	2020 $	2019 $
Accumulated funds		
Balance at 1 July	13,889,243	13,713,533
Net surplus for the year	651,732	19,749
Reserve funds consumed	49,993	155,961
Other adjustment*	749,490	-
Balance at 30 June	**15,340,458**	**13,889,243**
Reserves		
Capital subsidies reserve	632,822	632,822
Asset revaluation reserve	9,573,621	9,222,371
Investment revaluation reserve	538,528	1,384,578
Capital reserve	5,514,330	5,514,330
Total reserves	**16,259,301**	**16,754,101**
Program participants reserve	114,002	163,995
Total program participants reserves	**114,002**	**163,995**
Movement in reserves		
Capital subsidies reserve		
Balance at 1 July	632,822	633,322
Other adjustment	-	(500)
Balance at 30 June	**632,822**	**632,822**
Asset revaluation reserve		
Balance at 1 July	9,222,371	40,205
Revaluation of land and buildings	351,250	9,182,166
Balance at 30 June	**9,573,621**	**9,222,371**
Investment revaluation reserve		
Balance at 1 July	1,384,578	1,044,389
Revaluation of investments through other comprehensive income	(96,560)	340,189
Other adjustment*	(749,490)	-
Balance at 30 June	**538,528**	**1,384,578**
Capital reserve		
Balance at 1 July	5,514,330	5,514,330
Balance at 30 June	**5,514,330**	**5,514,330**

	2020 $	2019 $
Program participants reserve		
Balance at 1 July	163,995	319,456
Other adjustment	-	500
Funds consumed	(49,993)	(155,961)
Balance at 30 June	**114,002**	**163,995**

What is the nature and purpose of the other reserves?

(i) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the assets is transferred to retained earnings.

(ii) Investment revaluation reserve

Changes in the fair value arising on translation of investments, such as equities, classified as fair value through other comprehensive income financial assets, are recognised in other comprehensive income and accumulated in a separate reserve within equity.

*The other adjustment represents a reclassification of the investment revaluation reserve to accumulated profits to align the treatment of the investment assets as measured at fair value through other comprehensive income.

(iii) Capital reserve

Capital reserve represents membership interests given to members of RFNSW as consideration for acquisition.

(iv) Program participants reserve

The reserve represents non-specific grants received and recognised as revenue immediately during previous financial years. These funds have been provided by the funders with no specific purpose however the company has the intention of utilising these funds in a future period for the benefit of its program participants and therefore RichmondPRA treats these funds as restricted.

Refer to A1 for further details of the revenue recognition policy of the RichmondPRA.

(v) Capital subsidies reserve

Capital subsidies reserve represents restricted funds designated for capital purchase for clients or RichmondPRA

D3. UNRECOGNISED ITEMS

Contingencies

The Group leases office and client properties under operating lease agreements. The bond deposits for leases have been satisfied by the provision of banker's undertaking issued by St George Bank and ANZ Banking Group Limited. The banker's undertakings are secured by cash deposits which in aggregate amount to $1,249,582 (2019: $1,289,759).

Commitments for expenditure

	2020 $	2019 $
Total lease expenditure contracted for at reporting date but not recognised in the financial statements relating to other expenditure		
Payable no later than one year	349,080	321,041
Payable later than one, not later than five years	302,865	557,847
Payable later than five years	-	-
Total commitments	**651,945**	**878,888**

E. OTHER INFORMATION

E1. Related parties

E2. Parent entity financial information

E3. Summary of significant accounting policies

E4. Other required disclosures

This section covers other information that is not directly related to items in the financial statements, including information about related party transactions, parent entity financial information, significant accounting policies not disclosed elsewhere and other statutory information.

E1. RELATED PARTIES

Directors

The names of persons who were directors of the Company during the financial year:

- Professor Elizabeth More AM (Chair)
- Jeremy Thorpe (Treasurer until 11/12/19)
- Andrew Pryor (Treasurer from 11/12/19)
- Dr Josephine Anderson
- Robyn Carmody
- Paul Clenaghan
- Paula Hanlon
- Diane Robinson
- Dr Phil Wing

Since the end of the previous financial year directors of the Company have remuneration in the form of honorariums totalling $54,656 (2019: $33,092).

Key management personnel compensation

The aggregate compensation made to key management personnel of the company is set out below.

	2020 $	2019 $
Short-term employee benefits	1,878,119	1,782,548
Total compensation	**1,878,119**	**1,782,548**

E2. PARENT ENTITY FINANCIAL INFORMATION

Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts

	2020 $	2019 $
Statement of Financial Position		
Current assets	20,009,079	14,819,383
Non-current assets	41,381,695	38,452,308
Total assets	**61,390,774**	**53,271,691**
Current liabilities	25,085,179	18,683,712
Non-current liabilities	4,575,055	3,763,864
Total liabilities	**29,660,234**	**22,447,576**
Net assets	**31,730,540**	**30,824,115**
Contributed equity		
Under-expended contract funds reserve	114,002	163,995
Other reserves	16,276,080	16,770,878
Accumulated funds	15,340,458	13,889,242
Total equity	**31,730,540**	**30,824,115**
Surplus for the year	651,732	19,749
Gain on revaluation of land and buildings	351,250	9,182,166
Investments measured at fair value through other comprehensive income	(96,560)	340,189
Total comprehensive income for the year	**906,422**	**9,542,104**

Contingent liabilities of the parent entity

As at 30 June 2020, the parent entity did not have any contingent liabilities or guarantees (2019: $nil).

Details of the Group and subsidiaries

Name of Entity	Entity Type	Notes	Part of ACNC Reporting Group	ACNC & DGR Status	Percent of shares held(2) 2020	2019
					%	%
RichmondPRA	Parent	(1) (2)	Yes	Yes - endorsed	N/A	N/A
RichmondPRA Services	Subsidiary	(1) (2) (3)	Yes	Yes - endorsed	N/A	N/A

(1) The above entities are consolidated in the financial statements (refer to Note E3 for detailed accounting policy)
(2) Both entities are companies limited by guarantee and therefore do not have issued capital.
(3) The parent entity acquired control over RichmondPRA Services Limited in the merger of the two companies. Refer to Note D2 for details of the capital reserve which represents membership interests given to members as consideration for acquisition.

E3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

RichmondPRA Limited is a compamy limited by guarantee, incorporated and domiciled in Australia. The company is a not-for-profit entity registered charity with the Australian Charities and Not-for-Profit Commission which holds deductible gift receipient status and is exempt from income tax.

In preparing these financial statements RichmondPRA has consolidated all its controlled entities as required by AASB10. Detailed in Note E2 is a table of all controlled entities of the group.

The financial report of RichmondPRA Limited and its controlled entities for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 30 September 2020.

The registered office of the Group and its principal place of business is:

5 Figtree Drive
Sydney Olympic Park NSW 2127
Australia

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis for preparation

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by Australia Accounting Standards Board and the Australian Charities and Not-for-profit Commission Act 2012 (*ACNC ACT*).

The functional and presentation currency is Australian Dollars and are rounded to the nearest dollar unless otherwise stated.

Where an accounting policy is specific to one note, the policy is included in the note to which it relates.

Historical cost convention

These financial statements have been prepared under the historical cost convention (which is based on the fair value of the consideration given in exchange for assets), except for:

- Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses. value through other
- Equity instruments measured at fair value.

The financial statements are prepared on the accruals basis.

New and amended standards adopted by the Company

The entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

a. *Leasing*

The consolidated entity has adopted AASB 16 'Leases' from 1 July 2019, using the modified retrospective approach of adoption, with no restatement of comparatives for the statement of profit or loss and other comprehensive income for the year ended 30 June 2019 and the statement of financial position as at 30 June 2019. The operating lease commitments as at 30 June 2019 have been reconciled to the balances recognised on transition as below:

Leases transition note

	$
Discounted operating lease commitments 1 Jul 2019	5,946,971
Leases commencing 1 Jul 2019 not included in the commitment in PY	594,291
Leases which qualify as short term leasing arrangements	(321,904)
Other differences in judgements in recognition of right of use asset	(1,311,169)
Right of use of asset recognised on adoption	4,908,189
Lease liabilities- current	2,184,619
Lease liabilities- Non-current	2,723,570
Total	4,908,189

When adopting AASB 16 from 1 July 2019, the consolidated entity has applied the following practical expedients:

- applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets;
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- not apply AASB 16 to contracts that were not previously identified as containing a lease.

b. Revenue

AASB 15 – *Revenue from contracts with customers* and AASB 1058 – *Income of Not-for-Profit Entities* was released in December 2016. From 1 July 2019, rather than accounting for all contribution transactions under AASB 1004, the group now determines whether a transaction is a genuine donation or actually a contract with a customer. This requires the Group to decide whether the transaction falls within one of two standards: AASB 1058 or AASB 15.

Management has reviewed the requirements of AASB 1058 and are satisfied its current approach to revenue recognition is in line with the requirements under both AASB 1058 and AASB 15 standards. See note A1 for further details on the recognition.

There has been a change in presentation to align with the requirements of AASB 1058 and AASB 15:

- Unbilled revenue is now classified as contract assets
- Unearned income is now classified as contract liabilities

New accounting standards and interpretations

There are no new other Accounting Standards and Interpretations which have been early adopted.

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Information on significant and specific accounting estimates and judgements are stated throughout these financial statements. The estimations and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. Specific accounting judgements and estimates are discussed in the relevant note.

Impact of COVID-19

In response to the novel coronavirus (COVID-19) pandemic the Group has made judgements in relation to financial and non-financial information based on known evidence. Other than as addressed in specifc notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with repect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the novel coronavirus (COVID-19) pandemic.

Income Tax

The Company has been granted exemption from income tax under section 50-10 of the Income Tax Assessment Act 1997.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in receivables (C1) in the balance sheet. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

a. Asset carried at amortised cost

For loans and receivables, the Company applies the AASB 9 simplified approach to measuring expected credit losses, which requires expected lifetime credit losses to be recognised from initial recognition of trade and other receivables with maturities of 12 months or less.

Employee entitlements

a. Wages and Salaries, Annual Leave

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months of the end of each reporting period are recognised in other payables in respect of employees' services up to the end of each reporting period and are measured at the amounts expected to be paid when the liability is settled.

b. Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of each reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

c. Superannuation fund

Contributions to employee superannuation funds are charged against the income statement as an expense when they occur.

d. Employee benefits on-costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and measured at amounts expected to be paid when the liabilities are settled discounted to net present value.

Impairment of assets

At the end of each reporting period, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Parent entity financial information

The financial information for the parent entity, RichmondPRA has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of RichmondPRA. No purchase consideration was paid by the Group for the acquisition of RFNSW.

Principles of consolidation

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Events after the reporting period

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

E4. OTHER REQUIRED DISCLOSURES

Acknowledgement of funding

	2020 $	2019 $
Revenue from ordinary activities by funding source		
National Disability Insurance Scheme	33,841,224	25,539,295
NSW Ministry of Health	17,331,415	16,319,862
Business Sales	4,135,357	3,660,980
Other Operational Revenue	3,589,029	3,886,960
Wentwest Limited	3,181,324	983,895
Other Income	2,436,452	2,608,177
SVA Nominees	2,195,530	1,973,691
Queensland Department of Health	1,981,076	2,374,158
Western NSW LHD	1,599,819	1,513,124
Central and Eastern Sydney PHN	1,558,883	254,226
Coordinare Limited	1,293,264	-
Western Sydney LHD	1,252,353	1,175,913
South West Sydney PHN	1,090,792	828,792
Sydney LHD	1,040,400	1,005,700
Western Health Alliance Limited	1,039,625	637,509
Huynter New England Central Coast Limited	878,598	-
Commonwealth Department of Health	872,108	3,802,141
Wentworth Healthcare	767,242	506,894
Hunter New England LHD	619,674	643,590
Justice & Communities	498,621	412,290
South Eastern LHD	421,519	-
Southern NSW LHD	410,060	418,287
Southern Eastern Sydney LHD	388,099	1,053,226
Hunter Primary Care	371,235	-
Nepean-Blue Mountains LHD	369,949	377,696
Grand Pacific Health Limited	368,411	743,726
Murrumbidgee LHD	367,478	288,896
Department of Social Services	154,141	1,319,381
Total revenue from ordinary activities	**84,053,678**	**72,328,409**

Guaranteed Capital

Pursuant to the Memorandum of Company every member has undertaken in the event of a deficiency on winding up to contribute an amount not exceeding $50.

Auditor's Remuneration

	2020 $	2019 $
Assurance Services		
Audit of financial statements	97,340	93,340
Total fees – Assurance Services	**97,340**	**93,340**
Non assurance services		
Other advisory works	53,750	-
Assistance with preparation of financial statements	5,000	5,000
Total fees – Non assurance services	**58,750**	**5,000**
Total fees	**156,090**	**98,340**

The BDO entitiy performing the audit of the Group transitioned from BDO East Coast Partnership to BDO Audit Pty Ltd on 1 August 2020. The disclosure above include amounts paid or payable to BDO East Coast Partnership and BDO Audit Pty Ltd.

Reconciliation of surplus for the year to net cash flows from operating activities

	2020 $	2019 $
Surplus for the year	651,732	19,749
Depreciation	5,071,445	2,446,770
Bad debts expense	-	865
Gain on sale of non-current assets	(320,956)	(442,369)
Investment income reinvested	(78,993)	(408,524)
(Increase)/decrease in inventories	35,214	(35,214)
(Increase)/decrease in receivables	(5,154,857)	(71,468)
(Increase)/decrease in prepayments	246,748	146,848
Increase/(decrease) in payables	(864,752)	(286,540)
Increase/(decrease) in bonds	(57,863)	(32,657)
Increase/(decrease) in other current liabilities	3,770,686	4,061,347
Increase/(decrease) in provisions	1,657,867	528,307
Increase/(decrease) in right or use assets and lease liabilities	41,121	-
Net cash flows from operating activities	**4,997,392**	**5,927,114**

Disclosure under NSW *Charitable Fundraising Act 1991*

Fundraising appeals conducted by the Organisation during the year led to a number of donations. Details as what is required per the Act and Regulations is below.

No fundraising appeal generated a loss.

The net surplus for from fundraising was applied to unfunded initiatives, like providing social events for our young people and women and children programs and supporting mental health research projects.

No traders were engaged in the generation of fundraising income.

The directors as detailed in the directors report receive remuneration in the form of honorariums together with reasonable out-of-pocket expenses.

	2020 $	2019 $
Aggregate gross income from bequest*	525	65,554
Aggregate gross income from donations	22,994	19,419
Less total direct costs of fundraising	-	-
Total fundraising	**23,519**	**84,973**

* Bequests are excluded from the *Charitable Fundraising Act 1991*

RESPONSIBLE PERSONS' DECLARATION

In the Responsible Persons' opinion:

1. The financial statements and notes set out on pages 1 to 45 are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012, including:
   - Complying with Accounting Standards. The Australian Charites and Not-for-profit Commission Regulation 2013 (ACNC Regulation 2013), and other professional reporting requirements; and
   - Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date, and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the responsible persons in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Elizabeth More

Professor Elizabeth More AM
Director
Date: 30 September 2020

Andrew Pryor
Director
Date: 30 September 2020

DECLARATION BY CHIEF EXECUTIVE OFFICER IN RESPECT TO FUNDRAISING APPEALS

I, Mark Orr, Chief Executive Officer of RichmondPRA Limited declare that in my opinion:

1. The consolidated statement of profit and loss and other comprehensive income gives a true and fair view of all income and expenditure of RichmondPRA Limited with respect to fundraising appeals; and
2. The consolidated statement of financial position gives a true and fair view of the state of affairs with repect to fundraising appeals; and
3. The provisions of the Charitable Fundraising Act 1991 (NSW), the regulations under the Act and the conditions attached to the authority have been complied with; and
4. The provisions of the Collections Act 1966 (QLD), the regulations under the Act and the conditions attached to the authority have been complied with; and
5. The internal controls exercised by RichmondPRA Limited are appropriate and effective in accounting for all income received and applied by RichmondPRA Limited from any of its fundraising appeals.

Mark Orr AM
Chief Executive Officer
Date: 30 September 2020

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Level 11, 1 Margaret St
Sydney NSW 2000
Australia

To the directors of RichmondPRA Limited and its controlled entity

DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO DIRECTORS OF RICHMONDPRA LIMITED

As lead auditor of RichmondPRA Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of Section 60-40 of the Australian Charities and Not-for-profit Commission Act 2012 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of RichmondPRA Limited and the entities it controlled during the year.

BDO Audit Pty Ltd

L Russell.

Director

Leah Russell

Sydney, 30 September 2020

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
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Level 11, 1 Margaret St
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the directors of RichmondPRA Limited and its controlled entity

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RichmondPRA Limited (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of RichmondPRA Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the RichmondPRA Limited, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

L Russell

Leah Russell
Director

Sydney, 1 October 2020